



U.S. Department of Justice

*United States Attorney
Eastern District of California*

501 I Street, Suite 10-100
Sacramento, California 95814

916/554-2700
Fax 916/554-2900

FOR IMMEDIATE RELEASE
May 5, 2005

*Contact: Patty Pontello, 916-554-2706
Available at: www.usdoj.gov/usao/cae/home*

**JULIE LEE INDICTED FOR MAIL FRAUD AND
ATTEMPTED WITNESS TAMPERING**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that a federal grand jury returned a seven-count indictment charging JULIE LEE, 58, of San Francisco, with four counts of mail fraud and three counts of attempted witness tampering.

This case is the product of an extensive investigation by the Federal Bureau of Investigation.

According to Assistant United States Attorneys John K. Vincent and Camil A. Skipper, who are prosecuting the case, the indictment alleges that JULIE LEE defrauded the State of California by misusing \$125,000 of a \$500,000 grant to develop a community center which was awarded by the State to the San Francisco Neighbors Resource Center (SFNRC). The indictment further alleges that JULIE LEE misused the \$125,000 to make campaign contributions through intermediaries to Kevin Shelley, who was then a candidate for California Secretary of State. The indictment further alleges that JULIE LEE took steps to cover up her misuse of the grant funds. These steps included creating false and misleading documents, and lying to state auditors and investigators to hide her misuse of the grant funds. In the attempted witness tampering counts, the indictment alleges that JULIE LEE attempted to corruptly persuade three witnesses not to communicate with and to give false information to federal agents investigating LEE.

"The conduct at issue in this prosecution is nothing short of reprehensible. The very notion of laundering state grant funds for a community center of all things and converting them to political campaign contributions is beyond the pale. I applaud the FBI for their outstanding work in investigating this matter," said Scott.

If convicted, the maximum penalty under federal law for each offense of mail fraud is 20 years imprisonment and a fine of \$250,000. The maximum penalty for each witness tampering count is 10 years imprisonment and a fine of \$250,000.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

###